



FINANCE COMMITTEE

CITY COUNCIL

MONDAY, MAY 5, 2008
CITY COUNCIL OFFICE
5:00 p.m.
AGENDA

Committee: J. Waltman, Chair, S. Fuhs, M. Baez

COMMITTEE OF THE WHOLE DISCUSSION 5:00 p.m.
I. Rezoning of Outlet Area from RO (Residential Outlet to CN (Commercial Neighborhood)) (Committee of the Whole)

FINANCE COMMITTEE MEETING 5:30 p.m.
II. Discussion Sale/Lease Parking Facilities

III. Update – Fines & Fees Study (Finance Director) 6:00 pm

IV. Review Residential Rental Tax Ordinance & Implementation Schedule
(Introduced at 4-28-08 Regular Council Meeting) 6:15 pm

V. Review Proposal to Reprogram CDBG Funds

VI. Adoption of Vehicle Use Policy 6:20 pm

- a. Report from City Auditor
 - list of all vehicles that are either assigned to employees or signed out to be taken home or are know to be taken home
 - the gas expense for each vehicle individually
 - the annual mileage for each vehicle for 2007, 2006
 - copies of the use log kept for each vehicle
 - cost of insurance and maintenance for each vehicle
 - age and Blue book value of each vehicle
- b. Review draft policy attached

VII. Discussion – Transfer-Expenditure Ordinance

Bill No. 26 - amending the Codified Ordinances of the City of Reading, Chapter 1 – Section 1-186, 3, G, by adding a new (3) requiring Council approval for all expenditures, transfers and/or allocations from and/or to any and all Agency Funds and any and all line-items located in the Departmental: Non Departmental area of the General Fund (**Council Pres. Spencer- Council Staff**) *Introduced at the February 25 regular meeting; Tabled at the March 10 regular meeting; referred to the Finance Committee for review; Discussed at 4-7 Finance Committee; Tabled at the 4/14/08 Regular Meeting*

VIII. Budget Issues *(referred from previous meeting)* 6:40pm

Council and Administration of Expectations of Finance Committee
- Scope of Finance Budget Committee Review

- a. General Fund Recovery Plan
- b. Capital Project Funding Plan
- c. Review of Financing and Debt Service
- d. Assessment of City Assets
- e. Related State and Federal Financial Issues

- Key Assessment Areas:

- a. CDBG
- b. Parking Authority
- c. Water Authority
- d. Equity opportunities
- e. Exemption revenue strategies
- f. Debt Service (current & proposed)
- g. User fees
- h. Regional opportunities (short/long term)
- i. Tax revenues
- j. State and Federal opportunities
- k. Expense analysis

Operational savings

Organization structure

Contracted services

- 2008 Budget Review
- Discussion of Specific 2009 Budget Commitments

Upcoming Issues

Policy for the review and adoption of bonds and other financing initiatives
Storm Sewer Utility

Water Authority

It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.

BILL NO. _____-2008
AN ORDINANCE

AN ORDINANCE OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA, AMENDING THE CITY OF READING CODE OF ORDINANCES BY CREATING AND ADOPTING PART 10 RESIDENTIAL RENTAL TAX OF CHAPTER 24 TAXATION, SPECIAL, OF THE CITY OF READING CODE OF ORDINANCES, TO BE FOUND AT SECTIONS 24-1001 TO 24-1010, ENTITLED "RESIDENTIAL RENTAL TAX" WHICH SHALL IMPOSE A TAX ON THE TRANSACTION OF ENTERING INTO A LEASE FOR RESIDENTIAL PROPERTY; ESTABLISHING THE RATE OF SUCH TAX; PROVIDING PROCEDURES FOR THE ADMINISTRATION AND COLLECTION OF THE TAX; AND PROVIDING PENALTIES FOR VIOLATIONS.

WHEREAS, 53 P.S. § 6901, et .seq., otherwise known as the Local Tax Enabling Act, authorizes the City of Reading to create a tax known as the Residential Rental Tax; and

WHEREAS, the City of Reading desires to enact such a tax under the authority of the Local Tax Enabling Act.

THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. The City of Reading Code of Ordinances is hereby amended by creating Chapter 24 Taxation, Special, Part 10 Residential Rental Tax, Sections 24-1001 to 24-1010 to read as follows:

PART 10
RESIDENTIAL RENTAL TAX

§24-1001. SHORT TITLE.

This Part shall be known and may be cited as the City of Reading Residential Rental Tax.

§24-1002. AUTHORITY FOR TAX.

This tax is levied under the authority granted to the City of Reading by the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, No. 511, as amended, 53 P.S. §6901 et seq.

§24-1003. DEFINITIONS AND WORD USAGE.

A. Definitions. Unless otherwise expressly stated, the following terms shall, for the purpose of this Article, have the meanings indicated as follows:

1. CITY- the City of Reading, Berks County, Pennsylvania.
2. DWELLING UNIT - A building arranged, intended, designed or used as the living quarters for one or more families living independently of each other within the building. The term "dwelling unit" shall not be deemed to include a hotel unit.

3. HOTEL UNIT - any room or group of rooms located within a hotel or motel forming a single habitable unit used or intended to be used for living and sleeping only on a transient basis for a period of less than 30 days.
4. HOUSING LICENSE - a document issued by the Codes Division to the Owner of a Residential Rental Unit.
5. LEASE TRANSACTION - a transaction under which an Owner, either directly or through an agent of such Owner, and any other person or persons enter into an agreement under which such person or persons is/are allowed to become Occupant(s) of a Residential Rental Unit for a period equal to or less than one year. Each year of a multi-year lease or other agreement allowing occupancy of a Residential Rental Unit shall be considered a separate lease transaction.
6. OCCUPANT - any person over eighteen (18) years of age living and sleeping in a Residential Rental Unit or having actual possession of said Residential Rental Unit.
7. OWNER - Any person who, individually, jointly or severally with others, shall have legal or equitable title to or have any other legal or beneficial interest in any Residential Rental Unit, whether or not such person occupies the Unit or any part thereof. If more than one person owns the property as joint tenants, tenants in common, tenants by the entirety, or tenants in co-partnership, each such person shall be considered an owner and shall have all of the duties of an Owner under this Part.
8. PERSON - Includes any individual, firm, corporation, company, association, partnership, trusts, agent or other entity.
9. PERSONAL CARE HOME - a premises in which food, shelter, and personal assistance or supervision are provided for a period exceeding 24 hours for four or more adults who are not relatives of the operator, who do not require the services in or of a licensed long-term facility, but who do require assistance or supervision in matters such as dressing, bathing, diet, financial management, evacuation of a residence in the event of an emergency, or medication prescribed for self-administration which meets all regulations of the Pennsylvania Department of Public Welfare.
10. RESIDENTIAL RENTAL UNIT - (i) a Rooming Unit or (ii) a dwelling unit let for rent. Each individual townhouse dwelling, each individual apartment unit, each individual unit in a multifamily building, and each rooming unit shall be considered a separate Residential Rental Unit. If a structure contains a Rooming Unit or if any portion of the structure is let for rent, it shall be considered a Residential Rental Unit whether or not the Owner or a relative of the Owner also resides in the structure. A Residential Rental Unit shall not include a Hotel Unit or a Personal Care Home. A Residential Rental Unit includes dwelling units under lease-purchase agreements, or long-term [greater than six (6) months] agreements of sale.
11. ROOMING UNIT - a portion of a dwelling unit including any room or group of rooms forming a single habitable unit used or intended to be used for living and sleeping, but not for cooking purposes. Granting of permission to use shared or common cooking facilities may be associated with the leasing of a rooming unit. .

B. Word Usage.

1. Tense, Gender and Number. Words used in the present tense include the future; words in the masculine gender include the feminine and the neuter; the singular number includes the plural, and the plural the singular.

2. Whenever the words "Residential Rental Unit," "Rooming Unit," and "Dwelling Unit" are used in this chapter, they shall be construed as though they were followed by the words "or any part thereof."

§24-1004. IMPOSITION OF TAX.

A tax is hereby levied and imposed, for general City purposes, on every Lease Transaction, at the rate of thirty (\$50.00) dollars.

1. The foregoing tax shall be levied upon all Lease Transactions which authorize a person to be an Occupant of a Residential Rental Unit, regardless of when such person or persons commenced occupancy of the Residential Rental Unit.

2. No tax shall be imposed more than once each calendar year on Lease Transactions involving the same individual Residential Rental Unit.

§24-1005. PAYMENT DATES.

The tax imposed under this Part shall be payable to the City by the Owner of each Residential Rental Unit which is the subject of a Lease Transaction. The tax shall be payable on January 1, 2009, or pursuant to the collection procedures as established by the City of Reading and annually thereafter so long as the Residential Rental Unit is the subject of a Lease Transaction. In the case of any Residential Rental Unit which is first the subject of a lease transaction after January 1, 2009, such tax shall be payable at the time of issuance of a Housing License and thereafter on January 1 of each year, or pursuant to the collection procedures as established by the City as long as the Residential Rental Unit is the subject of a Lease Transaction.

§24-1006. COLLECTION AND DISPOSITION.

1. The City Tax Division Manager or his/her designee shall be and hereby is appointed the collecting agent for the collection of the tax.

2. The payment of the tax imposed by this Part shall be evidenced by a receipt setting forth the date and amount of payment, the name of the payee, and the identification of the Residential Rental Unit which is the subject of the Lease Transaction for which the tax is paid.

3. The City Tax Division Manager is authorized and empowered to prescribe, adopt and promulgate rules, regulations and forms relating to any matter or thing pertaining to the administration and enforcement of this Part and the collection of the tax, interest and penalties hereby imposed and may appoint assistants to collect the tax and administer this Part, subject to the approval of City Council.

§24-1007. INTEREST AND PENALTIES.

1. Any tax imposed under this Part which is unpaid more than 30 days after the date such tax is due and payable shall be subject to interest at the rate of 1 % per month or fractional part of a month until paid in full.

2. A penalty of 10% is hereby imposed upon all taxes which are unpaid more than 30 days after they are due and payable in accordance with the provisions of this Part. Any penalties imposed pursuant to the terms of this Section shall be a penalty upon the entire unpaid balance which shall include the tax plus any accumulated interest to date.

§24-1008. RECOVERING OF TAXES AND PENALTIES.

All taxes imposed by this Part, together with interest from the due date and the penalty thereon, may be recovered as other debts of like character are now by law recoverable.

§24-1009. VIOLATIONS AND PENALTIES.

1. It shall be unlawful for any Owner of a Residential Rental Unit to:

- A. Enter into a lease transaction without having paying the tax imposed by this Part.
- B. Fail, neglect or refuse to comply with or violate the rules and regulations prescribed, adopted and promulgated under the provisions of this Part.

2. Any person convicted before a District Justice of violating any of the provisions of this Part shall be liable to a fine not exceeding \$600.00 for each and every offense, together with the cost of prosecution thereof and in default of payment of the fine, may be imprisoned for a period not to exceed 30 days. The payment of such fine or the serving of such imprisonment shall not relieve the person liable for such tax to pay such tax, interest, and penalties. Each day that an offense continues shall constitute a separate violation of this Part.

SECTION 2. All other sections, parts and provisions of the City of Reading Code of Ordinances shall remain in full force and effect as previously enacted and amended.

SECTION 3. In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, such invalidity, illegality, or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses, or parts of this Ordinance, it being the intent of City Council that the remainder of the Ordinance shall be and shall remain in full force and effect.

SECTION 4. This Ordinance shall take effect ten (10) days after adoption in accordance with City of Reading Home Rule Charter, as amended, Sections 219 and 221. The tax established hereunder shall begin to be administered on January 1, 2009 and collected on January 1, 2009, or pursuant to the collection procedures as established by the City of Reading.

Enacted _____, 2008.

President of Council

Attest: _____
City Clerk

ORDINANCE NO. _____ - 2008

AN ORDINANCE OF THE BOROUGH OF KUTZTOWN, BERKS COUNTY, PENNSYLVANIA, AMENDING THE CODE OF THE BOROUGH OF KUTZTOWN BY CREATING AND ADOPTING ARTICLE VIII OF CHAPTER 200 OF THE CODE OF THE BOROUGH OF KUTZTOWN, TO BE FOUND AT SECTIONS 200-60 TO 200-68 OF THE CODE OF THE BOROUGH OF KUTZTOWN, ENTITLED "RESIDENTIAL RENTAL TAX" WHICH SHALL IMPOSE A TAX ON THE TRANSACTION OF ENTERING INTO A LEASE FOR RESIDENTIAL PROPERTY; ESTABLISHING THE RATE OF SUCH TAX; PROVIDING PROCEDURES FOR THE ADMINISTRATION AND COLLECTION OF THE TAX; AND PROVIDING PENALTIES FOR VIOLATIONS.

WHEREAS, 53 P.S. § 6901, et .seq., otherwise known as the Local Tax Enabling Act, authorizes the Borough of Kutztown to create a tax known as the Residential Rental Tax; and

WHEREAS, the Borough of Kutztown desires to enact such a tax under the authority of the Local Tax Enabling Act.

NOW THEREFORE, BE IT ENACTED AND ORDAINED by the Council of the Borough of Kutztown, County of Berks, Commonwealth of Pennsylvania, and it is hereby enacted and ordained by the authority of the same as follows:

Section 1. Sections 200-60 to 200-68 of Article VIII of the Code of the Borough of Kutztown are hereby created and enacted to read as follows:

**ARTICLE VIII
RESIDENTIAL RENTAL TAX**

§200-60. SHORT TITLE.

This Article shall be known and may be cited as the Kutztown Residential Rental Tax.

§200-61. AUTHORITY FOR TAX.

This tax is levied under the authority granted to the Borough by the Local Tax Enabling Act, Act of December 31, 1965, P.L. 1257, No. 511, as amended, 53 P.S. §6901 et seq.

§200-62. DEFINITIONS AND WORD USAGE.

A. Definitions. Unless otherwise expressly stated, the following terms shall, for the purpose of this Article, have the meanings indicated as follows:

1. BOROUGH - the Borough of Kutztown, Berks County, Pennsylvania.
2. DWELLING UNIT - A building arranged, intended, designed or used as the living quarters for one or more families living independently of each other within the building. The term "dwelling unit" shall not be deemed to include a hotel unit.

3. HOTEL UNIT - any room or group of rooms located within a hotel or motel forming a single habitable unit used or intended to be used for living and sleeping only on a transient basis for a period of less than 30 days.

4. HOUSING LICENSE - a document issued by the Code Enforcement Officer to the Owner of a Residential Rental Unit.

5. LEASE TRANSACTION - a transaction under which an Owner, either directly or through an agent of such Owner, and any other person or persons enter into an agreement under which such person or persons is/are allowed to become Occupant(s) of a Residential Rental Unit for a period equal to or less than one year. Each year of a multi-year lease or other agreement allowing occupancy of a Residential Rental Unit shall be considered a separate lease transaction.

6. OCCUPANT - any person over one year of age living and sleeping in a Residential Rental Unit or having actual possession of said Residential Rental Unit.

7. OWNER - Any person who, individually, jointly or severally with others, shall have legal or equitable title to or have any other legal or beneficial interest in any Residential Rental Unit, whether or not such person occupies the Unit or any part thereof. If more than one person owns the property as joint tenants, tenants in common, tenants by the entireties, or tenants in co-partnership, each such person shall be considered an owner and shall have all of the duties of an Owner under this Article.

8. PERSON - Includes any individual, firm, corporation, company, association, partnership, trusts, agent or other entity.

9. PERSONAL CARE HOME - a premises in which food, shelter, and personal assistance or supervision are provided for a period exceeding 24 hours for four or more adults who are not relatives of the operator, who do not require the services in or of a licensed long-term facility, but who do require assistance or supervision in matters such as dressing, bathing, diet, financial management, evacuation of a residence in the event of an emergency, or medication prescribed for self-administration which meets all regulations of the Pennsylvania Department of Public Welfare.

10. RESIDENTIAL RENTAL UNIT - (i) a Rooming Unit or (ii) a dwelling unit let for rent. Each individual townhouse dwelling, each individual apartment unit, each individual unit in a multifamily building, and each rooming unit shall be considered a separate Residential Rental Unit. If a structure contains a Rooming Unit or if any portion of the structure is let for rent, it shall be considered a Residential Rental Unit whether or not the Owner or a relative of the Owner also resides in the structure. A Residential Rental Unit shall not include a Hotel Unit or a Personal Care Home. A Residential Rental Unit includes dwelling units under lease-purchase agreements, or long-term [greater than six (6) months] agreements of sale.

11. ROOMING UNIT - a portion of a dwelling unit including any room or group of rooms forming a single habitable unit used or intended to be used for living and sleeping, but not for cooking purposes. Granting of permission to use shared or common cooking facilities may be associated with the leasing of a rooming unit. A classic example of a Rooming Unit is a rooming house as defined by §135-2 of the Code of the Borough of Kutztown.

B. Word Usage.

1. Tense, Gender and Number. Words used in the present tense include the future; words in the masculine gender include the feminine and the neuter; the singular number includes the plural, and the plural the singular.

2. Whenever the words "Residential Rental Unit," "Rooming Unit," and "Dwelling Unit" are used in this chapter, they shall be construed as though they were followed by the words "or any part thereof."

§200-63. IMPOSITION OF TAX.

A tax is hereby levied and imposed, for general Borough purposes, on every Lease Transaction, at the rate of thirty (\$30.00) dollars.

1. The foregoing tax shall be levied upon all Lease Transactions which authorize a person to be an Occupant of a Residential Rental Unit, regardless of when such person or persons commenced occupancy of the Residential Rental Unit.

2. No tax shall be imposed more than once each calendar year on Lease Transactions involving the same individual Residential Rental Unit.

§200-64. PAYMENT DATES.

The tax imposed under this Article shall be payable to the Borough by the Owner of each Residential Rental Unit which is the subject of a Lease Transaction. The tax shall be payable on January 1, 2009, or pursuant to the collection procedures as established by the Borough of Kutztown and annually thereafter so long as the Residential Rental Unit is the subject of a Lease Transaction. In the case of any Residential Rental Unit which is first the subject of a lease transaction after January 1, 2009, such tax shall be payable at the time of issuance of a Housing License under Chapter 135, Housing Standards, Section 3, Housing Licenses, and thereafter on January 1 of each year, or pursuant to the collection procedures as established by the Borough of Kutztown as long as the Residential Rental Unit is the subject of a Lease Transaction.

§200-65. COLLECTION AND DISPOSITION.

1. The Manager of the Borough or his/her designee shall be and hereby is appointed the collecting agent for the collection of the tax.

2. The payment of the tax imposed by this Article shall be evidenced by a receipt setting forth the date and amount of payment, the name of the payee, and the identification of the Residential Rental Unit which is the subject of the Lease Transaction for which the tax is paid.

3. The Manager is authorized and empowered to prescribe, adopt and promulgate rules, regulations and forms relating to any matter or thing pertaining to the administration and enforcement of this Article and the collection of the tax, interest and penalties hereby imposed and may appoint assistants to collect the tax and administer this Article, subject to the approval of Borough Council.

§200-66. INTEREST AND PENALTIES.

1. Any tax imposed under this Article which is unpaid more than 30 days after the date such tax is due and payable shall be subject to interest at the rate of 1 % per month or fractional part of a month until paid in full.

2. A penalty of 10% is hereby imposed upon all taxes which are unpaid more than 30 days after they are due and payable in accordance with the provisions of this Article. Any penalties imposed pursuant to the terms of this Section shall be a penalty upon the entire unpaid balance which shall include the tax plus any accumulated interest to date.

§200-67. RECOVERING OF TAXES AND PENALTIES.

All taxes imposed by this Article, together with interest from the due date and the penalty thereon, may be recovered as other debts of like character are now by law recoverable.

§200-68. VIOLATIONS AND PENALTIES.

1. It shall be unlawful for any Owner of a Residential Rental Unit to:

- A. Enter into a lease transaction without having paying the tax imposed by this Article.
- B. Fail, neglect or refuse to comply with or violate the rules and regulations prescribed, adopted and promulgated under the provisions of this Article.

2. Any person convicted before a District Justice of violating any of the provisions of this Part shall be liable to a fine not exceeding \$600.00 for each and every offense, together with the cost of prosecution thereof and in default of payment of the fine, may be imprisoned for a period not to exceed 30 days. The payment of such fine or the serving of such imprisonment shall not relieve the person liable for such tax to pay such tax, interest, and penalties. Each day that an offense continues shall constitute a separate violation of this Article.

Section 2. All other sections, parts and provisions of the Code of the Borough of Kutztown shall remain in full force and effect as previously enacted and amended.

Section 3. In the event any provision, section, sentence, clause, or part of this Ordinance shall be held to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, such invalidity, illegality, or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses, or parts of this Ordinance, it being the intent of Council that the remainder of the Ordinance shall be and shall remain in full force and effect.

Section 4. This Ordinance shall take effect and be in force from its enactment as provided by law. The tax established hereunder shall begin to be administered calendar year 2009 and collected on January 1, 2009, or pursuant to the collection procedures as established by the Borough of Kutztown.

ENACTED AND ORDAINED as an Ordinance of the Borough of Kutztown, Berks County, Pennsylvania this ____ day of _____, 2008.

BOROUGH OF KUTZTOWN

By: _____
Malcolm Eidle, President of the Borough
Council

Attest: _____
Bonnie Bray, Secretary of the Borough

Approved as an Ordinance this ____ day of _____, 2008.

Sandra Green, Mayor



CITY OF READING,
PENNSYLVANIA

MEMORANDUM

TO: Linda Kelleher, City Clerk
Michelle Katzenmoyer, Deputy City Clerk
FROM: Ryan Hottenstein, Acting Managing Director
DATE: April 14, 2008
SUBJECT: Passage of a resolution authorizing the Mayor to execute a
2008 Action Plan amendment.

Community Development is asking City Council to approve the amendment at the
Tuesday, May 27, 2008 City Council meeting.

BACKGROUND: Approximately \$100,000 in un-programmed CDBG funding is currently
available to re-program to the activity.

BUDGETARY IMPACT: None.

PREVIOUS ACTION: None

SUBSEQUENT ACTION: None.

RECOMMENDED BY: Mayor and Acting Managing Director.

RECOMMENDED MOTION: To amend the FFY2008 one year Action and the FFY2004 to
FFY2008 five year Consolidated Plan to provide \$100,000 in un-programmed CDBG funds
for the Phase III renovations to City Park.

RESOLUTION NO. _____

RESOLUTION OF THE COUNCIL OF THE CITY OF READING
AUTHORIZING THE MAYOR TO EXECUTE A
FFY2008 ONE YEAR ACTION PLAN
AND FFY2004 TO FFY2008 FIVE YEAR CONSOLIDATED PLAN
AMENDMENT

WHEREAS, under 24 CFR Part 91, the U.S. Department of Housing and Urban Development (HUD) outlines the consolidated submissions for community planning and development programs which will serve as: (1) a planning document for the City that builds on a participatory process at the grass roots level, (2) an application for federal funds under HUD's formula grant program, (3) a strategy to be followed in carrying out HUD programs, and (4) an Action Plan that provides a basis for assessing performance;



WHEREAS, the FFY2004 to FFY2008 five year Consolidated Plan (30th to 34th CD years January 1, 2004 to December 31, 2008) and the FFY2008 one year Action Plan (34th CD year January 1, 2008 to

December 31, 2008) have been prepared meeting HUD's requirements and providing guidance for addressing the housing and community development needs of the City;

WHEREAS, \$100,000 is available in CDBG funds to re-program for eligible and fundable activities.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF READING THAT:

The FFY2008 one year Action and FFY2004 to FFY2008 five year Consolidated Plans are amended to transfer \$100,000 in unprogrammed CDBG funds to create a new activity entitled as the City Park Improvements Phase III - 11th and Washington Streets. The improvements include (but are not limited to) designing, planning and constructing natural and man-made elements, including trees, retaining walls, berms, swales, grading, water features, and recreation amenities in the vicinity of the City Park bandshell. The activity service area is composed of 68.4% low / moderate income persons. The activity's eligibility / fundability is low mod area 24CFR570.208(a)(1) / public facilities and improvements 24CFR570.201(c).

The Mayor, on behalf of the City of Reading, is authorized and directed to execute the amendment to the satisfaction of HUD.

PASSED COUNCIL _____, 2008

PRESIDENT OF COUNCIL

ATTEST:

CITY CLERK

**BILL NO. _____-2008
AN ORDINANCE**

AN ORDINANCE AMENDING THE CODIFIED ORDINANCES OF THE CITY OF READING CHAPTER 1 – SECTION 1-186, 3, G BY ADDING A NEW (3) REQUIRING COUNCIL APPROVAL FOR ALL EXPENDITURES MADE FROM ANY AND ALL AGENCY FUNDS AND ANY AND ALL LINE ITEMS AND ALLOCATIONS MADE IN THE “DEPARTMENT: NON-DEPARTMENTAL” AREA OF THE GENERAL FUND BUDGET.

THE CITY OF READING CITY COUNCIL HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Amending the Codified Ordinances of the City of Reading Chapter 1, Section 1-186, 3, G by adding a new (3) shown below:

3. Regulations Concerning Appropriations and Transfers.

A. The authorization and expenditure of all funds and preparation of department budgets shall be in accordance with a policy adopted by the Council and a procedures manual to be prepared and periodically reviewed and updated by the Department of Finance. Expenditures shall be executed in a uniform manner for every City Department.

B. The Director of Finance shall prepare and submit a monthly report to the Mayor, the managing director, and Council. This monthly report shall include all expenditures for each City Department, and status reports comparing those expenditures with the adopted budget, as well as any Department justification of transfer of funds within departments and between departments.

C. In order to allow flexibility in the administration of the City's business, departments may transfer money between line items within the department. A majority of Council, in response to any monthly report, may place a limit on the amount of additional excess expenditure allowed for any program or line item. This is not intended to restrict unduly the Mayor's ability to manage and administer the budget.

D. Justification for transferring money between departments must be presented to and approved by Council. The procedures manual will stipulate the following:

- (1) Expenditure procedures.
- (2) Justification procedures for transferring money between line items.
- (3) Justification procedures for transferring money between department.
- (4) Administration of petty cash funds.

E. *Requiring an amendment to the City's annual Budget Ordinance authorizing the transfer of all monies including, but not limited to, transfers between departments, and transfers in and out of any City fund, account or line item either attached in part or unattached to a departmental budget. The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred. [Ord. 36-2000]*

F. *Requiring an amendment to the City's annual Budget Ordinance to authorize any*

cumulative modification to any departmental overall budget or line item exceeds \$25,000.
The request for a budget amendment must be submitted to City Council with an agenda memorandum explaining the justification for transfer and the proposed use for the funds transferred at least 2 weeks before the transfer is required. [Ord. 36-2000]

G. Requiring City Council approval, via ordinance, for the following:

(1) Salary increases that were not approved in or included in the budget for the fiscal year and fall outside the labor contract for union employees.

(2) All expenditures not approved and listed in the operating or capital budgets for the fiscal year.

(3) All expenditures and allocations from and to any and all Agency Funds and any and all line-items falling in the Departmental: Non Departmental area of the General Fund.

SECTION 2. This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, or re-passage by City Council over the Mayor's veto, in accordance with Section 219 of the City of Reading Home Rule Charter, or as set forth in Section 221 of the City of Reading Home Rule Charter.

Enacted _____, 2008

President of Council

Attest:

City Clerk

(Council Pres. Spencer & Council Staff)

BILL NO. _____-2008

A N O R D I N A N C E

AN ORDINANCE AMENDING THE CITY OF READING CODIFIED ORDINANCES BY ADDING SECTION 1-215 - USE OF CITY VEHICLES.

THE COUNCIL OF THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Amending the City of Reading Administrative Code by adding §1-215 - Use of City Vehicles.

1-215 Use of City Vehicles

A. Identification of City Vehicles

1. Any vehicle that is owned, leased, rented or loaned to the City of Reading, except vehicles in the Police Department, shall be appropriately marked with the City Coat of Arms and an identification number permanently, conspicuously and prominently displayed on the vehicle.

B. Motor Vehicle Record (MVR) Requirements:

1. An applicant for a position with the City of Reading, whose job duties include driving a City vehicle, will have his/her current MVR reviewed, prior to being employed, by the hiring authority or so delegated official. If the MVR has greater than eight points in a 24 month period listed for traffic violations or a conviction or pending charge for driving under the influence during that period, that applicant will be disqualified from consideration for the position in question.

2. If a current employee whose job description includes the duty to operate a City vehicle, has, at any time, an MVR that is found to be greater than eight (8) points according to the points scale for the Pennsylvania Motor Vehicle Code, that employee shall be required to attend a defensive driving course at his/her own expense. The accumulation of points is for a 24- month period. The date of reference for points accumulation shall be the date of the conviction. Risk Management shall be responsible for reviewing, around the anniversary date of the employee's initial hiring or promotion to a position necessitating the driving of a vehicle, the employee's MVR.

3. The employee who is identified as having an MVR greater than eight (8) points will be given two weeks from the date of notification to present a certificate from a school of defensive driving to the appropriate department head and to Risk Management, or the employee's driving privileges will be suspended until such certification is presented.

4. Any current employee arrested for driving under the influence of alcohol or drugs will be immediately prohibited from operating City vehicles. If the person is ultimately found not guilty of driving under the influence of alcohol or drugs, driving privileges will be returned immediately. If the person is found guilty, driving privileges will be taken away for an additional period not to exceed one (1) year starting with the initial date driving privileges were revoked. If greater than one year has elapsed between the date of arrest and conviction for DUI, the employee's driving privileges will be revoked for, at least, an additional 90 days from the date of conviction. It is the responsibility of the employee to report such an arrest or conviction to his/her supervisor.

5. Under no circumstances shall a City employee whose license has been cancelled, revoked, suspended, or expired operate a city owned vehicle. Any employee who fails to report a change in his/her driver's license or the receipt of a citation for a moving violation shall be subject to one or more of the following:

- Letter of reprimand, or
- Suspension without pay, or
- Revocation of driving privileges and transfer/demotion to a job not requiring the ability to drive, or

- Termination of employment

C. Use of City Vehicles

1. City vehicles are the property of the City and shall be used only for official City business.
2. Vehicles shall be used by City employees only upon authorization by the Managing Director and Department Director. Vehicles shall also be accessible to elected officials. For the purpose of this ordinance, City employees are defined as workers on the City payroll and workers paid by Federal grant programs that serve as part of the City's workforce. Elected officials means the Mayor, City Council and City Auditor.
3. City vehicles shall be operated only by City employees or elected officials with a current and validated operator's license which reflects the appropriate classification for the size and type of the vehicle driven. If non-City personnel accompany a City employee, they may share the driving only when authorized by the employee's respective department head.
4. Only in cases of an emergency shall a City employee or elected official operating a City vehicle carry passengers that are not employed by the City or engaged in business with City personnel if not approved by their immediate supervisor.
5. IN NO CASE shall vehicles be used for personal errands.
6. Each vehicle shall have a log wherein daily mileage, trip destinations, drivers and repairs shall be recorded. The log shall be filed each month with the Department Director, Risk Management and City Auditor.
7. *Take home vehicles will be provided to the Police Chief, Fire Chief, and Public Works Director. Take home vehicles will not be provided to on-call employees or to elected officials. Take home vehicles can be assigned to employees and elected officials by the Managing Director for isolated events (See Section E below).*
8. *City pool vehicles are to remain within the City limits unless the employee is undertaking approved and necessary official City business and shall be parked overnight at designated City-owned facilities. **Keys for the pool vehicle shall be signed in and out on a daily basis with the Operations Division Manager or his designee.***
9. Department heads shall be responsible for:
 - Ensuring that employees are aware of the driver's license requirement and Motor Vehicle Record (MVR) requirement of this policy.
 - Ensuring that the proper procedures are followed for certifying employees to operate City vehicles.
 - Ensuring employees are aware of and comply with the seat belt usage requirement.

D. Limits on Use of City Pool Vehicles

1. *City pool vehicles shall be assigned to employees who need transportation that will allow them to fulfill the duties assigned by their City Department. City vehicles may not be used for any personal transportation or errands.*
2. Employees authorized to commute in a take-home City vehicle may be subject to imputed income tax regulations as set forth by the Internal Revenue Service, which considers a certain portion of the vehicle use (namely the commute) to be income for the purposes of income taxation.
3. On December 1st of each year, the City Auditor shall be responsible for determining any tax liability for employees and will be provided with the names of all employees authorized to use City vehicles for commuting purposes. Employees who are assigned marked and unmarked police and fire vehicles, and/or marked municipal vehicles

carrying tools and meeting certain other eligibility criteria will not be subject to imputed income taxation as a result of the vehicle assignment.

4. City *pool* vehicles assigned to employees during the work shift as part of the employee's normal work duties may not be used for personal errands of any nature.

5. Any employee who is assigned a *pool* vehicle as part of his/her normal duties is authorized to use the *pool* vehicle as transportation to lunch and back to the work site only when approved by the foreman or supervisor on a particular job site.

E. Assignment of City Pool Vehicles

1. *Department Directors may assign employees to use City-owned pool vehicles made available by the Public Works Department City Garage when the employees duties require intercity travel. The City Garage will determine which vehicles are assigned to all City Departments, Divisions and Offices. The City Garage will also recall the vehicles to provide scheduled maintenance.*

2. The Managing Director and Department Director shall have the authority to provide City employees with the ability to *temporarily* take home pool vehicles. For an employee to be authorized the *temporary* take-home use of a *pool* vehicle, one of the following tests must be met:

Test 1: The employee is:

- a. a city resident and *has experienced continued and* frequent after-hours emergency callback involving first response to a real or present threat to life or property requiring an immediate response, and
- b. required to use a specialized vehicle, tools, or equipment for the performance of emergency duties.

Test 2: The employee is:

- a. a city resident and *has experienced continued and* frequent after-hours callbacks to locations other than the employees normal duty station, and
- b. a special vehicle, tools or equipment are required to perform these after-hours assignments, and
- c. an unacceptable delay in the response would result from the employee's return to the normal duty station to retrieve the needed equipment

Test 3: The employee is:

- a. scheduled to attend a meeting, event, or conference within driving distance from the City of Reading

2. Employees shall commute to and from their regular shift at their own expense.

3. City vehicles cannot be taken home for convenience or if you are simply "on call" and do not require special equipment.

F. Funding of City Vehicles

1. Expenditures for City vehicles (inclusive of purchase and maintenance) shall be presented in the annual budget for the City Garage.

2. Repair and/or replacement of City vehicles involved in accidents (major or minor) or catastrophic incidents will be charged back to the appropriate department, division or office.

3. The cost of repair or replacement may be assessed to the responsible employee, as determined by the Accident Review Board.

G. Gas Cards

1. Gasoline is supplied at the City gas pumps for City vehicles used for City business. Gas cards will be assigned to each City owned vehicle and can be used to provide gasoline only for that vehicle at the City gas pumps.

H. Reimbursement

1. The process of obtaining mileage reimbursement and the insurance protection afforded employees for use of their private vehicles while on City business shall be provided in the Personnel Handbook.

I. Accidents and/or Traffic and Parking Violations

1. Any accident, traffic or parking violation while using a City vehicle shall be reported to the Department Director. The Department Director shall provide notice to Risk Management and City Solicitor.
2. Further personnel action as to the employee involved in the accident shall be suspended until the City Solicitor gives directions with regard to the disposition of the employee and/or accident review/investigation. A representative of the City Solicitor shall be present at ALL hearings of the Accident Review Board.

J. Accident Review Board

1. Effective with implementation date of this policy, there shall be created an Accident Review Board. The purpose of this board will be to review all motor vehicle accidents that involve City of Reading employees.
2. The Risk Management will serve as the administrator of the Accident Review Board. As administrator, Risk Management will be responsible for setting the agenda for the Board, determining the meeting dates and times, and keeping minutes from the Board. All decisions of the Board will be forwarded by the Risk Management to the affected department head for implementation. *The decision is to be implemented by the department unless the employee requests an appeal before City Council.*
3. The Accident Review Board will consist of the following five (5) voting members, who shall serve for a term of one year. All five members must be present to effect a recommendation for any discipline of an employee. In the event a Board member is unable to attend, the appointing authority shall be empowered to select an alternate, who shall serve as alternate for a term of one year. The members will be appointed as follows:

Representative of the Police Department (appointed by the Chief of Police)

Representative of the Fire Department (appointed by the Fire Chief)

Representative of the Public Works Department (appointed by the Public Works Director)

Representative of the Finance Department (appointed by the Finance Director)

Representative of the Police Department who has experience, of a supervisory level, in the investigation of accidents. (appointed by the Chief of Police)

4. The members of the Accident Review Board will elect a chairperson. That chairperson will conduct the meetings and serve as parliamentarian. All Board meetings will be operated according to an accepted rule of order as determined by the Board.

5. All departments will submit accident reports/incident reports involving their employees to Risk Management for review. Risk Management shall conduct an initial investigation to determine whether the accident was CLEARLY NON-PREVENTABLE. Those accidents that are deemed CLEARLY NON-PREVENTABLE, after investigation by Risk Management, will not need to be reviewed by the Accident Review Board. Risk Management will notify the effected department head of whether the accident is clearly non-preventable or whether the accident is being referred to the Accident Review Board.

6. The employee/driver involved in an accident which is to be reviewed shall be given at least two weeks written notice by the Board of the date when he/she is to appear before the Board. The written notice shall be given by the Risk Management. A Risk Management representative shall be responsible for serving as the prosecutor. The prosecutorial responsibilities will include calling witnesses and presenting evidence to the Board. The employee/driver shall also have the right to bring witnesses and submit evidence to the board. *Employees are not entitled to be represented by an attorney at the Board meeting.*

7. The Board review will determine whether an accident was preventable or non-preventable and recommend disciplinary action for implementation by the employee's department head. The Board may also assess the repair and/or replacement of the vehicle to the employee. The Board will use the following criteria to make these decisions.

- Number of previous preventable accidents while operating a City vehicle.
- Severity of the loss
- Contributing/mitigating circumstances to the accident
- The egregious/wanton nature of the accident
- Consideration of the preventability of the driver's actions
- *The employee's previous work record*

8. *Any appeal of the board's decision will be made directly to the City Council Office within five (5) working days.*

K. Violations

1. It is the responsibility of the operator to operate the vehicle in a manner that is courteous, safe, and in compliance with all City and State traffic and parking regulations. The individual City employee shall assume complete responsibility for any citations resulting from violations of parking and traffic laws incurred while operating the City vehicle.

2. Accidents occurring during any unauthorized use of a City vehicle shall be the sole responsibility of the operator.

3. Vehicle operation which is unauthorized or for personal uses will result in disciplinary action and/or dismissal.

4. Operators violating the provisions of this ordinance shall forfeit any future rights to use City vehicles.

SECTION 2. This Ordinance shall become effective within ten (10) days of the date of passage and approval by the Mayor or override of the Mayor's veto.

Enacted _____, 2008

President of Council

Attest:

City Clerk

(Council Staff & Public Works)

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____